

Presentation of article for Town Meeting

This article asks the Town to adopt a policy precluding investment in fossil fuels because of our concern about climate change. It's very simple. The critical wording is, "That Amherst Town Meeting urges the Hampshire County Retirement Board and the Town Treasurer to adopt policies precluding any new investments in fossil fuel companies or indirect investments that include holdings in fossil fuel companies." Many of you were present when Bill McKibben, the founder of the environmental group 350.org, spoke in Amherst last Sept. He encouraged us to advocate for divestment from fossil fuels as one way to slow climate change, similar to the successful divestment from tobacco companies and South Africa. Divestment is a moral and political strategy.

The idea of divestment is not to bankrupt fossil fuel companies but to discredit them and take away some of their political power. They lobby to get preferential treatment, including tax breaks, and are destroying the planet through CO2 emissions, mining operations, oil pipeline leaks, fracking, and other kinds of pollution. Our dollars should not be enabling them to destroy the Earth but should be subsidizing renewable energy.

According to McKibben, "The mayor of Seattle explained that his city was already spending millions building seawalls – what sense did it make to invest in the companies making that work necessary? "

Bill McKibben's visit inspired a group of us to work on divestment as Fossil Fuel Divest, Pioneer Valley. After Northampton approved a resolution similar to this we looked at Town of Amherst investments. The Town doesn't currently invest in fossil fuels, only bank instruments like CDs, and we want to prevent future investments. Amherst funds in the Hampshire County Retirement System are co-

mingled with those of other towns and are invested in institutional funds. The OPEB Trust Fund is held in PRIT, over which we have no control. No funds whether in PRIT or the Hampshire Retirement System would be adversely affected. This article is taken directly from Northampton's, with a few sections omitted, and is intended to set a policy for the future, to serve as an inspiration to other cities and towns, to support the growing divestment movement, and to raise awareness of the issues involved. We are part of a large movement that includes many colleges and churches, like UU of Amherst, as well as at least 14 municipalities that are starting to divest.

The resolution also supports a bill in the legislature, S.1225, to divest State pension funds from fossil fuels, sponsored by Sen. Ben Downing of Pittsfield. Funds held by PRIT but managed by others would not be impacted. It's a simple bill. In fact, fossil fuel investments don't give as good a return as previously. According to a recent study, for the past five years, the stocks of fossil fuel companies have underperformed the S&P 500, and this underperformance has been accelerating in recent years.

It is not fiscally or morally responsible to continue to invest in fossil fuel companies because of the known risk from the "Carbon bubble". As you saw in the hand-out, we can only burn about 20% of our reserves before reaching the limit of 2 degrees Centigrade that will make the planet unlivable.

All of the major fossil fuel companies are valued on the basis that all the carbon is going to be burned, so these companies are overvalued. This is called the "carbon bubble." As it becomes more apparent that we cannot burn all the carbon, the value of fossil fuel companies will drop quite severely, bursting the bubble. This makes investment in fossil fuels extremely risky.

As time goes on there will be more extreme shifts in weather patterns, storms and flooding. It is estimated that we will exceed 2 degrees C. by 2024 at our current rate of emissions. The implications of this are severe, yet there hasn't been significant response by society's leadership. The longer we wait to address climate change, the worse its impacts will be. Al Gore, in a recent Wall Street Journal piece, wrote: "Delaying action to mitigate climate change will not delay climate change itself."

The human community has never faced such certain and devastating consequences if action is not taken. The magnitude of the threat in itself represents a powerful argument in favor of divestment, an act which inherently signals the need for far-reaching change

We want to be part of the solution to this problem. We are optimistic that as people become more aware and take what steps they can, we will be able to make a transition to a different economy that doesn't rely so heavily on fossil fuels.